



Arnold Schwarzenegger
Governor

March 16, 2010
22M: 388:TLA:1079

Mr. Robert Martin, Workforce Investment Board Director
Mother Lode Consortium
19890 Cedar Rd. North
Sonora, CA 95370

Dear Mr. Martin:

AMERICAN RECOVERY AND REINVESTMENT ACT
PROGRAM REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2009-10

This is to inform you of the results of our review for Program Year (PY) 2009-10 of the Mother Lode Consortium's (MLC)'s activities funded by the American Recovery and Reinvestment Act of 2009 (ARRA). We focused this review on the following areas: program administration, local level monitoring, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and program operations including ARRA activities and participant eligibility.

This review was conducted by Mr. TG Akins from February 22, 2010 through February 25, 2010.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by MLC with applicable federal and state laws, regulations, policies, and directives related to the ARRA grant.

We collected the information for this report through interviews with MLC representatives. In addition, this report includes the results of our review of sampled case files, MLC's response to Sections I and II of the ARRA Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2009-10.

BACKGROUND

MLC was allocated: \$330,036 in ARRA funding to serve adult participants; \$792,327 in ARRA funding to serve youth participants; and \$673,040 in ARRA funding to serve dislocated worker participants.

For the quarter ending December 31, 2009, MLC reported the following expenditures for its ARRA funded activities: \$218,593 for adult participants; \$792,327 for youth participants; and \$246,262 for dislocated worker participants. In addition, MLC reported the following ARRA enrollments: 156 adult participants; 206 youth participants; and 198 dislocated worker participants. We reviewed case files for 36 of the 560 participants enrolled in ARRA funded activities as of February 22, 2010.

PROGRAM REVIEW RESULTS

While we conclude that, overall, MLC is meeting applicable ARRA requirements, we noted an instance of noncompliance in the area of dislocated worker eligibility. The finding that we identified in this area is specified below.

FINDING 1

Requirement: WIA 101(9)(ii)(I) indicates that the term "dislocated worker" means an individual who is eligible for or has exhausted entitlement to unemployment insurance (UI) compensation.

WIAD04-18 states, in part, that there are six methods for determining that an eligible adult is a dislocated worker.

WIAD04-18 requires that, for the first method of dislocated worker eligibility, a dislocated worker participant must provide eligibility documentation to substantiate that the participant:

- Has been terminated or laid off, or who has received a notice of termination or layoff, from employment; and
 - Is eligible for or has exhausted entitlement to unemployment insurance (UI) compensation; or
 - Has been employed for a duration sufficient to demonstrate attachment to the workforce, but is not eligible for unemployment compensation due to insufficient earnings or having performed services for

an employer that were not covered under a State unemployment compensation law; and

- Is unlikely to return to a previous industry or occupation.

Additionally, WIAD04-18 requires that, for the second method of dislocated worker eligibility, a dislocated worker participant must provide eligibility documentation to substantiate that the participant had been terminated or laid off, or received a notice of termination or layoff, from employment as a result of any permanent closure of, or any substantial layoff at, a plant, facility, or enterprise...

Observation:

We found three dislocated worker case files reviewed did not contain sufficient documentation to substantiate dislocated worker eligibility. Two of the files did not contain documentation substantiating that the participant had been eligible for or had exhausted UI compensation. The third file did not contain documentation substantiating that the participant had received a notice of termination or lay off from employment as a result of permanent closure at an enterprise.

Subsequent to the on-site review, MLC provided copies of the required documentation substantiating dislocated worker eligibility for the three participants mentioned above. Therefore, we consider the issue resolved.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is MLC's responsibility to ensure that its systems, programs, and related activities comply with the ARRA grant program, federal and state regulations, and applicable state directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain MLC's responsibility.

Mr. Robert Martin

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March 16, 2010

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Mrs. Jennifer Shane at (916) 654-1292.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jessie Mar".

JESSIE MAR, Chief
Compliant Monitoring Section
Compliance Review Office

cc: Greg Gibson, MIC 50
Jose Luis Marquez, MIC 50
Daniel Patterson, MIC 45
Roger Schmitt, MIC 50